

HELM

FINANCIAL CORPORATION

VIA AIR COURIER

November 17, 1997

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed are three (3) originals of the Memorandum of the Net Lease Agreement made as of June 16, 1997 ("**Memorandum**") between the following parties:

Lessor: Kennecott Utah Copper Corporation
3595 South 8315 West
Magna, Utah 84044-6001

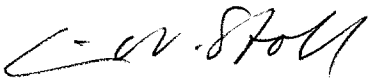
Lessee: Northern Plains Railroad
P.O. Box 745
Devils Lake, ND 58301

The equipment involved in this transaction is as follows:

Equipment: Five (5) railcars as more fully described in
Schedule A to the Memorandum.

Please file this agreement as a primary document. A check covering the filing fee of twenty-four dollars (\$24.00) is enclosed.

Sincerely,


Eric W. Stoll
Document Administrator

/es
Enclosures (3)

One Embarcadero Center • San Francisco, CA 94111
415/398-4510 FAX 415/398-4816

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BOARD

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MEMORANDUM OF
NET LEASE AGREEMENT

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of June 16, 1997 and is intended to evidence that certain Net Lease Agreement dated as of June 16, 1997 (the "Lease") between KENNECOTT UTAH COPPER CORPORATION, a Utah corporation ("Lessor"), and NORTHERN PLAINS RAILROAD, a NORTH DAKOTA corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the railcars, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

KENNECOTT UTAH COPPER CORPORATION

By: Wayne L. StockebrandPrint Name: WAYNE L. STOCKEBRANDIts: DIRECTOR, TRANSPORTATION

LESSEE

NORTHERN PLAINS RAILROAD

By: [Signature]Print Name: CHUCK F. HAVESIts: PRESIDENT

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNIT

Equipment Description:

Five (5), 100-ton, 50 cubic yard capacity air dump railcars manufactured by DIFCO in 1978 and 1979.

Unit Number:

1. KCCX 553
2. KCCX 560
3. KCCX 586
4. KCCX 603
5. KCCX 621

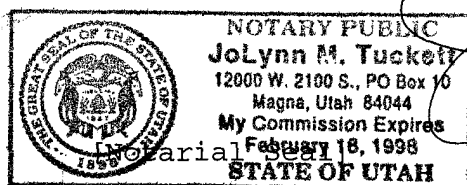
STATE OF Utah,
COUNTY OF Salt Lake, S.S.

On August 18th, 1997, before me, Jolynn M Tuckett personally
appeared Wayne L. Stockebrand, Director of Transportation KENNECOTT UTAH
COPPER CORPORATION,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.



Jolynn M Tuckett
SIGNATURE OF THE NOTARY

STATE OF North Dakota,
COUNTY OF Ramsey, S.S.

On September 2, 1997, before me, Cheryl Rand personally
appeared Gregg Haug, President of NORTHERN PLAINS
RAILROAD,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.

Cheryl Rand
SIGNATURE OF THE NOTARY

[Notarial Seal]

My commission expires
March 27, 2003.